WEEKLY ECONOMIC REVIEW

December 7, 2007

Although Alberta employment growth has softened in the past four months, the overall job market continues to remain tight. The unemployment rate in November was 3.6%, the lowest among the provinces. Average hourly wages were up 8.0% from the same month last year. Year to date, employment has increased 4.8%, the strongest among provinces and more than double the national growth of 2.2%.

Bank of Canada Governor David Dodge spoke to the Senate banking committee on Thursday and noted that the Canadian dollar was in "overshoot" last month and that the current value of the loonie appears reasonable. He also said that the Bank expects weaker economic growth in the fourth quarter and first half of next year before improving later in 2008.

Due to lower-than-expected inflation and a weakening outlook for the Canadian economy, the Bank of Canada decided to lower its key interest rate by 25 basis points to 4.5 percent this week. This prompted the loonie to fall further in the week, reaching an 11 week low of 98.71 cents US on Wednesday. Today's strong employment data lifted the Canadian dollar to 99.5 cents US.

Alberta saw brisk construction activity in October as the value of building permits rose 12% from September. The increase was due to a huge 66.6% monthly increase in non-residential permits, driven by strong demand for commercial space in Calgary. Conversely, residential permits were down 19% in the province. The value of permits issued for the entire country in October grew 6.8% from last month, led by increased activity in non-residential construction.

Cdn Dollar (US¢/CS)

December 7, 2007	99.47
November 30, 2007	100.10
2007-08 YTD	95.98

WTI Oil US$/bbl

December 6, 2007	$ 90.23
November 29, 2007	$ 91.01
2007-08 YTD	$ 75.82

Nymex Natural Gas CS/MMBtu *

November Contract

December 7, 2007	$ 7.31
November 30, 2007	$ 7.41

*Estimate based on Nymex Futures Market Price

Despite the turmoil in the housing and financial markets, U.S. employment rose by a stronger-than-expected 94,000 in November, while the October numbers were revised upwards. The U.S. unemployment rate held steady at 4.7%.

U.S. light vehicle sales in November were down 1.7% compared to the same period last year. The Big 3 automakers (GM, Ford and Chrysler) saw their market share in the U.S. decline from 53.1% in 2006 to 51.1% in 2007. This highlights the declining appeal of North American-made vehicles, which, in addition to the strong loonie, have led to increasingly difficult times for Canadian automakers.

Oil prices fell earlier in the week but picked up yesterday on OECD's prediction that the world economy will weather the fallout from the U.S. credit crisis.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month(Y/Y)	Year-to-date[1]
Employment (000s) [2]	**November**			
Alberta	1,970	-0.4%	3.0%	4.7%
Canada	17,029	0.3%	2.7%	2.2%
United States	138,467	0.1%	1.1%	1.4%
Building Permits ($ Millions)	**October**			
Alberta	1,390.9	12.0	2.2	17.5
Canada	6,666.5	6.8	5.8	14.2

Source: Statistics Canada. [1]Year-to-date 2007 compared to the same period in 2006 [2] seasonally adjusted